

AMENDED IN ASSEMBLY MAY 16, 2005

AMENDED IN ASSEMBLY APRIL 11, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 1027

Introduced by Assembly Member Jerome Horton

February 22, 2005

An act to amend Section 11751.71 of the Insurance Code, and to add Section 19529 to the Revenue and Taxation Code, relating to criminal investigations.

LEGISLATIVE COUNSEL'S DIGEST

AB 1027, as amended, Jerome Horton. Criminal investigation.

Existing law establishes a procedure for the Director of Industrial Relations to obtain information from insurance rating organizations in connection with identifying employers who fail to secure adequate specified insurance in violation of law.

This bill would establish a similar procedure for the Registrar of Contractors of the Contractors State License Board to obtain that information in connection with licensed contractors who fail to secure adequate specified insurance in violation of law.

The bill would also require the Franchise Tax Board to notify the Registrar of Contractors of the Contractors State License Board ~~and~~, the Director of Employment Development, *the Economic and Employment Enforcement Coalition, and the Joint Enforcement Strike Force on the Underground Economy* upon the filing of criminal charges or arraignment of any individual who ~~is a licensee~~ *engages in the business or acts in the capacity of a contractor within this state pursuant to a license issued by the Contractors State License Board or any individual who unlawfully engages in the business or acts in the*

capacity of a contractor within this state without having a license therefor.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 11751.7 of the Insurance Code is
2 amended to read:

3 11751.7. (a) The rating organization designated the statistical
4 agent pursuant to Section 11751.5 shall provide to the Director of
5 Industrial Relations, upon request, any information in the
6 possession of, or reasonably attainable by the rating organization,
7 that would assist the Director of Industrial Relations to identify
8 employers who fail to secure adequate insurance in violation of
9 Section 3700 of the Labor Code. The information requested
10 pursuant to this section shall be provided by the rating
11 organization in a form and manner prescribed by the Director of
12 Industrial Relations.

13 (b) The rating organization designated the statistical agent
14 pursuant to Section 11751.5 shall provide to the Registrar of
15 Contractors of the Contractor's State License Board, upon
16 request, any information in the possession of, or reasonably
17 attainable ~~by the rating organization~~, *by, the rating organization*
18 that would assist in identifying licensed contractors who fail to
19 secure adequate insurance in violation of Section 3700 of the
20 Labor Code. The information requested pursuant to this section
21 shall be provided by the rating organization in a form and manner
22 prescribed by the Registrar of Contractors.

23 SEC. 2. Section 19529 is added to the Revenue and Taxation
24 Code, to read:

25 19529. The Franchise Tax Board shall notify the Registrar of
26 Contractors of the Contractors State License ~~Board and Board~~,
27 the Director of Employment Development, *the Economic and*
28 *Employment Enforcement Coalition, and the Joint Enforcement*
29 *Strike Force on the Underground Economy* upon filing criminal
30 charges or the arraignment of any individual ~~who is a licensee~~
31 *engages in the business or acts in the capacity of a contractor*
32 *within this state* pursuant to a license issued by the Contractors
33 State License Board *or any individual who unlawfully engages in*

- 1 *the business or acts in the capacity of a contractor within this*
- 2 *state without having a license therefor.*

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